



TAX EXEMPT AND
GOVERNMENT ENTITIES
DIVISION

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
WASHINGTON, D.C. 20224

201222054

T:EP:RA:T2

Uniform Issue List: 408.03-00

MAR 05 2012

Legend:

Taxpayer A	=	***
Spouse B	=	***
Financial Institution C	=	***
Financial Institution D	=	***
Bank E	=	***
IRA X	=	***
IRA Y	=	***
Account Z	=	***
Date 1	=	***
Date 2	=	***
Date 3	=	***
Date 4	=	***
Date 5	=	***
Amount A	=	***

Dear Ms. ***:

This letter is in response to your request dated October 21, 2011, in which you requested a waiver of the 60-day rollover requirement contained in section 408(d)(3) of the Internal Revenue Code (the Code).

The following facts and representations have been submitted under penalty of perjury in support of the ruling requested:

Taxpayer A, age , represents that she received a distribution of Amount A from her Individual Retirement Account (IRA), IRA X, at Financial Institution C. She asserts that her failure to accomplish a rollover of Amount A within the 60-day period prescribed by section 408(d)(3) was due to the medical condition of her husband, Spouse B. Taxpayer A represents that Amount A has not been used for any other purpose.

Taxpayer A represents she was looking for a safer, more diverse option for her IRA funds. On Date 1, she received a distribution of Amount A from IRA X at Financial Institution C. A week later, on Date 2, she opened a new IRA account, IRA Y, with Financial Institution D. However, a representative at Financial Institution D advised Taxpayer A to wait to transfer Amount A to IRA Y until the beginning of the following month. Consequently, on Date 3 Taxpayer A deposited Amount A in Account Z, her personal checking account at Bank E.

Taxpayer A's husband, Spouse B, has a serious medical condition that requires her to accompany him to the doctor several times each week. On Date 4, shortly before the 60-day rollover period began with respect to Amount A, Spouse B's condition worsened and required surgery. Spouse B's health declined again after the surgery, requiring additional doctor's visits, and continued to decline throughout the 60-day period following the distribution of Amount A. Spouse B's mental health also began to deteriorate after the surgery and worsened during the 60-day period. Taxpayer A represents that the decline in her husband's physical and mental health, and her role as primary caretaker, prevented her from transferring Amount A to IRA Y until Date 5, shortly after the end of the 60-day period prescribed by section 408(d)(3).

Based on the foregoing facts and representations, you request a ruling that the Internal Revenue Service (the Service) waive the 60-day rollover requirement with respect to the distribution of Amount A from IRA X at Financial Institution C.

Section 408(d)(1) of the Code provides that, except as otherwise provided in section 408(d), any amount paid or distributed out of an IRA shall be included in gross income by the payee or distributee, as the case may be, in the manner provided under section 72 of the Code.

Section 408(d)(3) of the Code defines and provides the rules applicable to IRA rollovers.

Section 408(d)(3)(A) of the Code provides that section 408(d)(1) of the Code does not apply to any amount paid or distributed out of an IRA to the individual for whose benefit the IRA is maintained if --

(i) the entire amount received (including money and any other property) is paid into an IRA for the benefit of such individual not later than the 60th day after the day on which the individual receives the payment or distribution; or

(ii) the entire amount received (including money and any other property) is paid into an eligible retirement plan (other than an IRA) for the benefit of such individual not later than the 60th day after the date on which the payment or distribution is received, except that the maximum amount which may be paid into such plan may not exceed the portion of the amount received which is includible in gross income (determined without regard to section 408(d)(3)).

Section 408(d)(3)(B) of the Code provides that section 408(d)(3) does not apply to any amount described in section 408(d)(3)(A)(i) received by an individual from an IRA if at any time during the 1-year period ending on the day of such receipt such individual received any other amount described in section 408(d)(3)(A)(i) from an IRA which was not includible in gross income because of the application of section 408(d)(3).

Section 408(d)(3)(D) of the Code provides a similar 60-day rollover period for partial rollovers.

Section 408(d)(3)(I) of the Code provides that the Secretary may waive the 60-day requirement under sections 408(d)(3)(A) and 408(d)(3)(D) of the Code where the failure to waive such requirement would be against equity or good conscience, including casualty, disaster, or other events beyond the reasonable control of the individual subject to such requirement. Only distributions that occurred after December 31, 2001, are eligible for the waiver under section 408(d)(3)(I) of the Code.

Revenue Procedure 2003-16, 2003-4 I.R.B. 359 (January 27, 2003) provides that in determining whether to grant a waiver of the 60-day rollover requirement pursuant to section 408(d)(3)(I) of the Code, the Service will consider all relevant facts and circumstances, including: (1) errors committed by a financial institution; (2) inability to complete a rollover due to death, disability, hospitalization, incarceration, restrictions imposed by a foreign country or postal error, (3) the use of the amount distributed (for example, in the case of payment by check, whether the check was cashed); and (4) the time elapsed since the distribution occurred.

The information presented and documentation submitted by Taxpayer A are consistent with her assertion that her failure to accomplish a timely rollover was caused by the worsening of Spouse B's serious medical condition, and Taxpayer A's role as primary caretaker, which resulted in Amount A being deposited into IRA Y shortly after the 60-day rollover deadline.

Therefore, pursuant to section 408(d)(3)(I) of the Code, the Service hereby waives the 60-day rollover requirement with respect to the distribution of Amount A from IRA X. Taxpayer A is granted a period of 60 days from the issuance of this ruling letter to contribute Amount A into a rollover IRA. Provided all other requirements of section 408(d)(3) of the Code, except the 60-day requirement, are met with respect to such contribution, Amount A will be considered a rollover contribution within the meaning of section 408(d)(3) of the Code.

This letter expresses no opinion as to whether the IRA described herein satisfied the requirements of section 408 of the Code. This letter is directed only to the taxpayer who requested it. Section 6110(k)(3) of the Code provides that it may not be used or cited as precedent.

If you wish to inquire about this ruling, please contact ***. Please address all correspondence to SE:T:EP:RA:T2.

Sincerely,



Donzell Littlejohn, Manager
Employee Plans Technical Group 2

Enclosures:

Deleted copy of ruling letter
Notice of Intention to Disclose